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**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2007**

**WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/23/08

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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**MARCUS, ROBINSON and HASSELL**

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Steve E. Pylant  
Franklin Parish Sheriff  
Winnsboro, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Sheriff, as of and for the year ended June 30, 2007, which collectively comprise the Franklin Parish Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Franklin Parish Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Sheriff, as of June 30, 2007, and the respective changes in financial position, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2007, on our consideration of the Franklin Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of the audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franklin Parish Sheriff's basic financial statements. The accompanying other supplemental information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Franklin Parish Sheriff. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*Marcus, Robinson & Hassell*

MARCUS, ROBINSON & HASSELL, CPAs

Winnsboro, Louisiana  
December 7, 2007

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART I**



## Steve E. Pylant

Franklin Parish

SHERIFF

//

EX-OFFICIO TAX COLLECTOR

6556 MAIN STREET • WINNSBORO, LOUISIANA 71295  
TELEPHONE (318) 435-4505 • FAX (318) 435-5810

As Management of the Franklin Parish Sheriff's Department, I offer readers of the Franklin Parish Sheriff's Department financial statements this narrative overview and analysis of the financial activities of the Franklin Parish Sheriff's Department for the fiscal year ended June 30, 2006. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

### Financial Highlights:

- Expenditures of the sheriff exceeded revenues by \$1,592,997.
- DOC inmates housing revenue was \$3,712,161.

### Overview of the Financial Statements:

This discussion and analysis provides an overview of the sheriff's basic financial statements. The statement of net assets and the statement of activities (Governmental-wide financial statements) provide information about the financial activities as a whole and illustrate a long-term view of the sheriff's finances. The balance sheet and statement of revenues, expenditures and changes in fund balance - Governmental fund tell how these services were financed in the short term as well as what remains for future. The report also contains other supplementary information in addition to the basic financial statements themselves.

In the Independent Auditors Report, the auditor assures that the Basic Financial Statements are accurately and fairly stated. This Independent Auditors Report should be used to judge the level of assurances provided for each portion in the financial section.

### Government – wide Financial Statements:

These financial statements are used to present a general overall look at the finances of the Franklin Parish Sheriff's Department similar to a private sector business.

Statement of Net Assets. By determining the difference between the assets and the liabilities of the Franklin Parish Sheriff's Department "Net Assets" is determined. By

comparing statements of Net Assets over a period of time, the overall financial trend of the sheriff can be monitored.

Statement of Activities. This statement shows changes in the sheriff's net assets during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to effect cash flows in future fiscal years. The Statement of Activities reports all changes to net assets as soon as the event affecting net assets occurs.

**Fund Financial Statements** – To comply with finance related legal requirements, the Franklin Parish Sheriff's Department groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

Government Funds – information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near term revenues and expenses and not only on balances available at the end of the fiscal year.

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a more narrow focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities.

A budgetary comparison statement is provided to demonstrate compliance with the sheriff's annual adopted appropriated budget.

Agency (Fiduciary) Funds – these funds are used to manage monies and resources held by the sheriff on behalf of others, such as inmate trust deposits, taxes, fines, and bonds. Since these resources do not belong to the sheriff and are not available to support the operations of the sheriff, they are not reflected on the government-wide financial statements.

**Notes to the Financial Statements** – These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

**Other information** – this report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Franklin Parish Sheriff's Department.

## **Government – wide Financial Analysis**

Net assets may be used to track the sheriff's financial trend over the course of several fiscal years. As of June 30, 2007, the Franklin Parish Sheriff's excess of assets over liabilities is \$11,175,330. Of the sheriff's assets, \$6,463,107 is fixed assets (land, buildings, & equipment) and is not available for future spending. This fixed assets amount is approximately 57.83% of the total assets. Allowance has been taken for outstanding debt incurred for the purchase of these fixed assets. The value of capital outlay assets is calculated as net, after allowance for outstanding debt, but the revenue to repay this debt must be generated from other sources.

## **Financial Analysis of the Government's Funds**

Fund accounting is used by the Franklin Parish Sheriff's Department to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Franklin Parish Sheriff's Department's combined governmental fund balances as of June 30, 2007, is \$6,549,940. The June 30, 2006, combined governmental fund balance was \$8,142,937. This is an increase of \$1,592,997. Of the June 30, 2007, balances \$6,055,770 is unreserved and undesignated.

## **General Fund Budgetary Highlights**

While expenditures reported on the final budget are greater than projected expenditures at the beginning of the year, the final adopted budget for June 30, 2007 reflects an increase in revenue over the original budget for the fiscal year. This is the result of slight increases in most revenue generating resources but primarily from an increase in revenue from housing inmates.

## **Capital Asset and Debt Administration:**

**Capital Assets:** The Franklin Parish Sheriff's Department's investment in capital assets for its governmental activities as of June 30, 2007 amounts to \$6,463,107 (net of accumulated depreciation). Fixed assets increased by \$2,275,121 for the year.

**Long-Term Debt:** Total outstanding long-term debt for the Franklin Parish Sheriff's Department as of June 30, 2007 is \$1,894,094. Of this amount \$590,000 will be paid during fiscal year 2008. Outstanding debt was decreased by \$570,901 during fiscal year 2007 and the remaining balance will be paid according to the debt agreements.

## **Request for Information**



This report may be used by all persons with an interest in the financial status of the Franklin Parish Sheriff's Office. It is designed to help the reader gain a general overall view of the sheriff's finances. Any question or request for additional information should be addressed to the Franklin Parish Sheriff's Office, 6556 Main Street, Winnsboro, Louisiana, 71295.

A handwritten signature in black ink, appearing to read 'Kevin W. Cobb', is written over a horizontal line.

Kevin W. Cobb,  
Chief Deputy

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

## STATEMENT A

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2007

ASSETS

Cash and Cash Equivalents	6,014,156
Accounts Receivable	43,991
Inventories	80,349
Restricted Cash	44,614
Restricted Investments	388,915
Bond Premiums	387
Bond Discounts	8,119
Bond Issuance Costs	56,377
Capital Assets (net of accumulated depreciation)	<u>6,463,107</u>
<b>TOTAL ASSETS</b>	<b>13,100,015</b>

LIABILITIES

Accounts Payable	2,377
Bond Premium	28,214
Long-Term Liabilities	
Due Within One Year	654,094
Due in More than One Year	<u>1,240,000</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,924,685</u></b>

NET ASSETS

Invested in Capital Assets, net of related debt	4,633,107
Restricted for:	
Inventory	80,349
Debt Service	413,821
Unrestricted	<u>6,048,053</u>
<b>TOTAL NET ASSETS</b>	<b><u><u>11,175,330</u></u></b>

See Notes to Financial Statements

## STATEMENT B

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF ACTIVITIES  
JUNE 30, 2007

		<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE)</u>
	<u>EXPENSES</u>	<u>OPERATING</u>	<u>CAPITAL</u>	<u>REVENUE AND</u>
		<u>GRANTS</u>	<u>GRANTS</u>	<u>CHANGES IN</u>
				<u>NET ASSETS</u>
<u>FUNCTIONS/PROGRAMS:</u>				
<u>Public Safety:</u>				
Personal Services	4,414,972	46,766	0	(4,368,206)
Operating Services	896,036	3,783	0	(892,253)
Materials and Supplies *	1,652,434	0	0	(1,652,434)
Travel and Other Charges	106,769	0	0	(106,769)
Debt Service - Interest	54,425	0	0	(54,425)
Debt Service - Amortization	21,865	0	0	(21,865)
Depreciation	382,507	0	19,787	(362,720)
Capital Outlay	0	0	0	0
Retirement of Fixed Assets	16,750	0	0	(16,750)
Total Government Activities	7,545,758	50,549	19,787	(7,475,422)
<u>PROGRAM REVENUES:</u>				
Commissions				517,588
Civil & Criminal Fees				156,563
Housing Prisoners				4,470,279
Total Program Revenues				5,144,430
Net Program Expenses				(2,330,992)
<u>GENERAL REVENUES:</u>				
Taxes - Ad Valorem				418,248
Taxes - Sales Tax				2,140,077
Taxes - State Revenue Sharing				12,584
Interest				286,464
State Supplemental Pay				238,304
Other				87,041
Total General Revenues				3,182,718
<u>CHANGES IN NET ASSETS</u>				851,726
<u>NET ASSETS AT BEGINNING OF YEAR</u>				10,323,604
<u>NET ASSETS AT END OF YEAR</u>				11,175,330

\* \$17,404 was taken out because it was capitalized

See Notes to Financial Statements

**BASIC FINANCIAL STATEMENTS:**  
**FUND FINANCIAL STATEMENTS (FFS)**

## STATEMENT C

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2007

	GENERAL	DEBT SERVICE	TOTAL
<u>ASSETS</u>			
Cash and Cash Equivalents	6,014,156	0	6,014,156
Accounts Receivable	43,991	0	43,991
Inventories	80,349	0	80,349
Restricted Assets:			
Cash	0	44,614	44,614
Investments	0	388,915	388,915
Bond Premiums	0	387	387
Bond Discounts	0	8,119	8,119
<b>TOTAL ASSETS</b>	<u>6,138,496</u>	<u>442,035</u>	<u>6,580,531</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	2,377	0	2,377
Bond Premiums	0	28,214	28,214
<b>Total Liabilities</b>	2,377	28,214	30,591
Fund Balances:			
Reserved for:			
Debt Service	0	413,821	413,821
Inventory	80,349	0	80,349
Unreserved	6,055,770	0	6,055,770
<b>Total Fund Balance</b>	<u>6,136,119</u>	<u>413,821</u>	<u>6,549,940</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>6,138,496</u>	<u>442,035</u>	<u>6,580,531</u>

See Notes to Financial Statements

## STATEMENT D

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE GOVERNMENT-WIDE  
STATEMENT OF NET ASSETS  
JUNE 30, 2007

Total Fund Balances at June 30, 2007 - Governmental Funds (Statement C)		6,549,940
Cost of Issuance Cost Capitalized at June 30, 2007	115,102	
Less: Accumulated Amortization at June 30, 2007	<u>58,725</u>	56,377
Cost of Capital Assets at June 30, 2007	9,994,858	
Less: Accumulated Depreciation at June 30, 2007	<u>3,531,751</u>	6,463,107
Long-Term Liabilities at June 30, 2007		
Deferred Compensation Payable	64,094	
Bonds Payable	<u>1,830,000</u>	<u>(1,894,094)</u>
<u>NET ASSETS AT JUNE 30, 2007 (STATEMENT A)</u>		<u>11,175,330</u>

See Notes to Financial Statements

## STATEMENT E

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Ad Valorem Taxes	418,248	0	418,248
Sales Taxes	2,140,077	0	2,140,077
Intergovernmental Revenues:			
Federal Grants	46,108	0	46,108
State and Local Grants	24,228	0	24,228
State Revenue Sharing	12,584	0	12,584
Fees, Charges & Services:			
Commissions	517,588	0	517,588
Civil & Criminal Fees	156,563	0	156,563
Housing Prisoners	4,470,279	0	4,470,279
State Supplemental Pay	238,304	0	238,304
Interest	271,320	15,144	286,464
Other	77,636	9,405	87,041
<u>TOTAL REVENUE</u>	8,372,935	24,549	8,397,484
<u>EXPENDITURES</u>			
<u>Public Safety:</u>			
Personal Services & Related Benefits	4,405,873	0	4,405,873
Operating Services	896,036	0	896,036
Materials and Supplies	1,669,838	0	1,669,838
Travel and Other Charges	106,769	0	106,769
<u>Debt Service:</u>			
Principal	0	580,000	580,000
Interest	0	54,425	54,425
Amortization	0	3,073	3,073
<u>Capital Outlay:</u>			
General Fund	2,274,467	0	2,274,467
<u>TOTAL EXPENDITURES</u>	9,352,983	637,498	9,990,481
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(980,048)	(612,949)	(1,592,997)

See Notes to Financial Statements



FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	0	627,225	627,225
Transfers Out	<u>(627,225)</u>	<u>0</u>	<u>(627,225)</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(627,225)</u>	<u>627,225</u>	<u>0</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	(1,607,273)	14,276	(1,592,997)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>7,743,392</u>	<u>399,545</u>	<u>8,142,937</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u><u>6,136,119</u></u>	<u><u>413,821</u></u>	<u><u>6,549,940</u></u>

See Notes to Financial Statements

## STATEMENT F

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
RECONCILIATION OF GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2007

Total Net Change in Fund Balances - Governmental Funds (Statement E)	(1,592,997)
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Amounts reported for governmental activities in the  
Statement of Activities are different because:

Bond issuance costs are reported in government funds as expenditures. However, in the Statement of Activities, the bond issuance costs are allocated over the term of the bond as amortization expense. This is the amount by which bond issuance cost expense exceeds amortization expense for the period:

Amortization	<u>(18,792)</u>	(18,792)
--------------	-----------------	----------

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful life as depreciation expense. This is the amount by which depreciation exceeds capital outlay for the period:

Capital Outlays	2,291,871	
Depreciation	<u>(382,507)</u>	1,909,364

In the statement of activities, the loss on the retirement of assets is reported, whereas in the governmental funds it is not. The change in net assets differs from the change in fund balance by the cost of the assets retired net of accumulated depreciation.	(16,750)
--	----------

Repayment of loan principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Assets.	580,000
---	---------

In the Statement of Activities, certain operating expenses - K-time - are measured by the amounts earned or used during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (actually paid).	<u>(9,099)</u>
--	----------------

Changes in Net Assets of Governmental Activities (Statement B)	<u><u>851,726</u></u>
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See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**STATEMENT OF FIDICIARY NET ASSETS - AGENCY FUNDS**  
**JUNE 30, 2007**

**STATEMENT G**

	<u>LICENSE FUND</u>	<u>CRIMINAL FUND</u>	<u>CIVIL FUND</u>	<u>WORK RELEASE PROGRAM FUND</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	116	71,132	6,182	59,805
Due From Others	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u><u>116</u></u>	<u><u>71,132</u></u>	<u><u>6,182</u></u>	<u><u>59,805</u></u>
<b><u>LIABILITIES</u></b>				
Due to Taxing Bodies And Others	<u>116</u>	<u>71,132</u>	<u>6,182</u>	<u>59,805</u>
<b>TOTAL LIABILITIES</b>	<u><u>116</u></u>	<u><u>71,132</u></u>	<u><u>6,182</u></u>	<u><u>59,805</u></u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS  
JUNE 30, 2007**

<u>TAX COLLECTION FUND</u>	<u>INMATE TRUST FUND</u>	<u>TOTAL</u>
466,052	62,820	666,107
1,714	663	2,377
<u>467,766</u>	<u>63,483</u>	<u>668,484</u>
 467,766	 63,483	 668,484
<u>467,766</u>	<u>63,483</u>	<u>668,484</u>

See Notes to Financial Statements

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**INTRODUCTION**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through establishment of neighborhood watch programs, anti-drug abuse programs, etc. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within Franklin and surrounding parishes.

As the ex-officio tax collector of the parish, the sheriff is responsible for collecting and distributing ad valorem property taxes, state revenue sharing funds, sporting licenses, and fines, costs and bond forfeitures imposed by the district court.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Franklin Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all the Sheriff's activities.

**B. REPORTING ENTITY**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification 2100, the sheriff includes all funds, account groups, activities, etc. that are controlled by the sheriff as an independently elected parish official. As an independently elected parish official, the sheriff is solely responsible for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the sheriff's office that are paid by the parish police jury as required by Louisiana law, the sheriff is financially independent. Accordingly, the sheriff is a separate governmental reporting entity. Certain units of local government over which the sheriff exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish sheriff.

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts: invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

**Allocation of Indirect Expenses** - The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

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**D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS, Continued**

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

**Government Fund Types**

**General Fund** - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

**Debt Service Fund** - The Debt Service Fund is used to account for long-term debt payments.

**Fiduciary Fund Type - Agency Funds**

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, etcetera. Disbursements from the funds are made to various parish agencies, litigants in suits, etcetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**E. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**FRANKLIN PARISH SHERIFF**  
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**2. Modified Accrual, Continued**

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January and February of the fiscal year.

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the sheriff is entitled to the funds. Interest income on time and demand deposits is recorded when the time deposits have matured and the income is available. Substantially all other revenues are recognized when received by the sheriff. Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**F. SALES AND USE TAX**

The Franklin Parish Sheriff is authorized to collect a one percent sales and use tax within Franklin Parish. The proceeds of the tax, after payment of costs for collecting and administering the tax, are dedicated to constructing, maintaining and operating a jail facility and offices for the Franklin Parish Sheriff, including the payment of salaries for the operation of the jail facilities. The tax was approved for an indefinite time period; however, on March 10, 1993, the voters approved a referendum changing the indefinite expiration date to June 1, 2010. On July 21, 2007, the voters approved a one-half percent sales and use tax within Franklin Parish. The proceeds of the tax, after payment of costs for collection and administering the tax, are dedicated for general operations. The tax was approved for five years starting January 1, 2008 and expiring on December 31, 2012. Upon the passing of this tax, the sheriff defeased the current one percent sales and use tax, effective December 31, 2007.



**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**G. ENCUMBRANCES**

Encumbrance accounting is not used in the sheriff's operations.

**H. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

**I. INVENTORY**

Inventory at June 30, 2007, consists of commissary items purchased during preceding months. Inventory items are valued at unit prices established by purchase prices paid for purchased items. Amounts are recorded as expenditures under the consumption method using the First-In, First-Out (FIFO) cost flow assumption.

**J. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	10-20 Years
Buildings	40 Years

**K. RISK MANAGEMENT**

The sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the sheriff may join with other sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Franklin Parish Sheriff has joined together with other sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana sheriffs. The sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

**FRANKLIN PARISH SHERIFF**  
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**JUNE 30, 2007**

**K. RISK MANAGEMENT, Continued**

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage.

The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, LA 70804.

In addition to the above, the sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**L. COMPENSATORY TIME (K-TIME)**

Compensatory Time (K-time) represents a one and one-half credit for each hour of overtime worked. The maximum for law enforcement personnel (deputies, detectives and guards) is 480 K-time hours which represent not more than 320 hours of actual overtime worked. The maximum for non-law enforcement personnel is 240 K-time hours which represents 160 hours of actual overtime worked. Employees may take K-time as compensated time-off.

An employee shall upon termination be paid for the unused K-time at a rate of compensation not less than: a) the average regular rate received by such employee during the last three years of employment or b) the final regular rate, whichever is higher. All overtime work in excess of K-time limits must be paid in the period earned.

**M. BAD DEBTS**

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectible and no allowance for bad debts is necessary.

**N. ESTIMATES**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**O. BUDGET PRACTICES**

The proposed budget for the fiscal year ended June 30, 2007, was made available for public inspection on June 15, 2006. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal as required prior to the public hearing, which was held at the Franklin Parish Sheriff's office June 15, 2006, for comments from taxpayers. The budget was legally amended May 17, 2007, by the sheriff.

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**O. BUDGET PRACTICES, Continued**

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balances.

**P. INVESTMENTS**

Under state law, the sheriff may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The sheriff reports United States Treasury bills and notes as investments.

**Q. VACATION AND SICK LEAVE**

Employees earn two weeks of noncumulative vacation leave and one week of noncumulative sick leave each year. There are no accumulated or vested benefits relating to vacation and sick leave that require accrual or disclosure to conform with generally accepted accounting principles.

**R. BOND DISCOUNT**

The discount paid at the time of the bond refinancing is being amortized on the straight-line method over the life of the new bonds.

**S. BOND PREMIUM**

The premium paid at the time of the bond refinancing is being amortized on the straight-line method over the life of the new bonds.

**T. PREMIUM ON INVESTMENTS**

The premium paid at the time of investment acquisition is being amortized on the straight-line method over the life of the investment.

**NOTE 2 - LEVIED TAXES**

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Expiration	Levied Millage	Millage
Constitutional	Indefinite	7.92	7.92

**FRANKLIN PARISH SHERIFF**  
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**NOTE 3 - CASH AND CASH EQUIVALENTS**

For the purpose of these financial statements, the sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2007 the sheriff has cash and cash equivalents (book balances) totaling \$6,724,877 as follows:

	Statement of <u>Net Assets</u>	Statement of <u>Fiduciary Net Assets</u>	<u>Total</u>
Petty Cash	1,300	-0-	1,300
Demand Deposits	<u>6,057,470</u>	<u>666,107</u>	<u>6,723,577</u>
<b><u>TOTAL</u></b>	<b><u>6,058,770</u></b>	<b><u>666,107</u></b>	<b><u>6,724,877</u></b>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2007, the sheriff has \$6,919,642 in deposits (collected bank balances). These deposits are secured from risk by \$1,600,000 of federal deposit insurance and \$5,319,642 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

The sheriff was adequately collateralized at all banks.

**NOTE 4 - RECEIVABLES**

The receivables at June 30, 2007, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Fund</u>	<u>Total</u>
Grants	6,584	-0-	6,584
Fees, Charges, and Commissions for Services	20,100	-0-	20,100
Feeding and Keeping of Prisoners	<u>17,307</u>	<u>-0-</u>	<u>17,307</u>
<b><u>TOTAL</u></b>	<b><u>43,991</u></b>	<b><u>-0-</u></b>	<b><u>43,991</u></b>

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2007 follows:

	Balance June 30, <u>2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2007</u>
<u>Capital Assets</u>				
Equipment	1,292,821	289,089	128,560	1,453,350
Buildings	6,448,727	2,002,781	-0-	8,451,508
Land	<u>90,000</u>	<u>-0-</u>	<u>-0-</u>	<u>90,000</u>
	7,831,548	2,291,870	128,560	9,994,858
<u>Accumulated Depreciation</u>				
Equipment	855,327	171,219	111,810	914,736
Buildings	<u>2,405,728</u>	<u>211,287</u>	<u>-0-</u>	<u>2,617,015</u>
	<u>3,261,055</u>	<u>382,506</u>	<u>111,810</u>	<u>3,531,751</u>
<u>Net Capital Assets</u>	<u>4,570,493</u>	<u>1,909,364</u>	<u>( 16,750)</u>	<u>6,463,107</u>

**NOTE 6 - PENSION PLAN**

Substantially all employees of the Franklin Parish Sheriff's office are members of the Louisiana Sheriffs' Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be physically fit, earn at least 400 per month, and who were at least 18 years of age at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw employee contributions may retire at age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by State statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 6554 Florida Boulevard, Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 - PENSION PLAN, Continued**

Plan members are required by state statute to contribute 10.0% of their annual covered salary and the Franklin Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 11.00% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Franklin Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Franklin Parish Sheriff's contributions to the System for the years ending June 30, 2007, 2006 and 2005 were \$626,592, \$540,583 and \$431,870, respectively, equal to the required contributions for each year.

**NOTE 7 - POSTEMPLOYMENT BENEFITS**

All full-time employees of the Franklin Parish Sheriff's Department may at their option participate in the sheriff's association group health insurance program. Upon retirement during Sheriff Steve E. Pylant's administration with twenty-four years of service the employee may continue his coverage with the same benefits payable to active employees. The Franklin Parish Sheriff's portion of the post-retirement benefit for health insurance is funded on a pay-as-you-go basis. During the year ended June 30, 2007, the Franklin Parish Sheriff had no one participating in the post-retirement benefits.

**NOTE 8 - CHANGES IN AGENCY FUNDS**

A summary of changes in agency fund balances due to taxing bodies and others follows:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2007</u>
Agency Funds:				
License	46	114,652	114,582	116
Criminal	41,037	648,382	618,287	71,132
Civil	5,980	896,159	895,957	6,182
Work Release Program	95,743	870,321	906,259	59,805
Tax Collection	464,238	4,567,106	4,563,578	467,766
Inmate Trust	<u>135,996</u>	<u>533,466</u>	<u>605,979</u>	<u>63,483</u>
<b><u>TOTAL</u></b>	<u>743,040</u>	<u>7,630,086</u>	<u>7,704,642</u>	<u>668,484</u>

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions for the year ended June 30, 2007:

	<u>K-Time</u>	2004 Series Bond <u>Payable</u>	<u>TOTAL</u>
Long-term Obligations at July 1, 2006	54,995	2,410,000	2,464,995
Additions	9,099	-0-	9,099
Deductions	<u>-0-</u>	<u>580,000</u>	<u>580,000</u>
Long-term Obligations at June 30, 2007	<u>64,094</u>	<u>1,830,000</u>	<u>1,894,094</u>

Bonds payable at June 30, 2007 are comprised of the following General Obligation Bonds:

\$3,500,000 Franklin Parish Law Enforcement Public Improvement Bonds Series 2004,  
due in annual installments. Interest is payable semi-annually at rates ranging from  
2.0% to 4.0%.

1,830,000

Interest expense for the year was \$54,425.

The annual requirements to amortize the bonds outstanding at June 30, 2007, including interest of \$90,388 on the Series 2004 bonds are as follows:

<u>For the Year Ending June 30:</u>	<u>Series 2004</u>
2008	632,825
2009	641,025
2010	<u>646,538</u>
	<u>1,920,388</u>

The bond authorization agreement requires that, as of any date, there must be on reserve "the lesser of (1) 10 percent of the proceeds of the bonds and any additional parity bonds therefore issued and delivered, and (2) the maximum principal and interest requirements in any succeeding bond year (sinking fund year) on the bonds and any additional parity bonds therefore issued and delivered." At June 30, 2007, the sheriff has deposited the required reserve amount of \$377,736 in a bond reserve account, which is reported in the General Fund as a reserve of fund balance.

**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 10 - FEDERAL FINANCIAL ASSISTANCE**

The sheriff participated in the following federal assistance programs during the year ended June 30, 2007:

	<u>CFDA Number</u>	<u>Expenditures</u>
<u>Federal Grantor/Pass-Through Grantor/ Program Name</u>		
<u>United States Department of Justice</u>		
Passed through Louisiana Division of Administration through Louisiana Commission on Law Enforcement and Administration of Criminal Justice - Narcotics		
Drug Task Force	16.579	26,321
 <u>United States Department of Homeland Security</u>		
Passed through State Homeland Security Grant Program		
FY 2005 State Homeland Security Grant Program	97.004	<u>19,787</u>
		 <u>46,108</u>

**NOTE 11 - ON-BEHALF PAYMENTS**

The Sheriff's office is located in the parish courthouse annex. Expenditures for operation and maintenance of the courthouse annex, as required by Louisiana Revised Statute 33:4715, are paid by the Franklin Parish Police Jury, except for the jail as set forth in the intergovernmental agreement discussed in Note 14.

**NOTE 12 - LITIGATION AND CLAIMS**

At June 30, 2007, the sheriff is involved in one lawsuit claiming damages. Legal counsel anticipates a favorable outcome in the suit, however, an unfavorable outcome is unlikely to have an adverse impact on the financial status of the Franklin Parish Sheriff's Office.



**FRANKLIN PARISH SHERIFF**  
**WINNSBORO, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 13 - INVESTMENTS**

At June 30, 2007, investments classified as being held to maturity consist of the following:

United States Treasury Notes	
Noncallable 3.875% maturing 5/15/09	150,000
Morgan Keegan Money Market	<u>238,915</u>
	<u>388,915</u>

These investments will be held to maturity and are therefore shown at maturity value.

These investments have a carrying value of \$388,915 and a market value of \$386,173.

These investments are restricted as being held in reserve for satisfaction of the bond authorization agreement as discussed in Note 9.

**NOTE 14 - INTERGOVERNMENTAL AGREEMENT**

As provided by Louisiana Revised Statute (LSA-R.S.) 33:1324, the Franklin Parish Sheriff has entered into an intergovernmental agreement with the Franklin Parish Police Jury to assume all liabilities and responsibilities of the jail operations within Franklin Parish effective May 1, 1989, and perpetually thereafter, so long as the Franklin Parish Law Enforcement District sales and use tax remains in force and effect. The liabilities assumed by the sheriff include utilities, maintenance and upkeep, feeding and keeping prisoners, salaries and cost of jail operations, and construction of a new jail. The intergovernmental agreement also states that the parish of Franklin relinquishes, transfers, and assigns to the Franklin Parish Sheriff and the Law Enforcement District of Franklin Parish all jurisdiction, responsibility, and control over the present and any future jail within Franklin Parish.

**NOTE 15 - RELATED PARTY TRANSACTIONS**

There were no related party transactions that came to our attention.

**REQUIRED SUPPLEMENTAL INFORMATION**  
**PART II**

SCHEDULE 1

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<u>REVENUES</u>				
Ad Valorem Taxes	826,068	395,004	418,248	23,244
Sales Taxes	2,027,448	2,123,196	2,140,077	16,881
Intergovernmental Revenues:				
Federal Grants	0	18,996	46,108	27,112
State and Local Grants	20,000	24,624	24,228	(396)
State Revenue Sharing	0	35,868	12,584	(23,284)
Fees, Charges & Services:				
Commissions	232,000	317,004	517,588	200,584
Civil & Criminal Fees	167,100	157,104	156,563	(541)
Housing Prisoners	4,333,588	4,686,996	4,470,279	(216,717)
State Supplemental Pay	210,000	222,000	238,304	16,304
Interest	150,000	149,997	271,320	121,323
Other	33,796	62,004	77,636	15,632
<u>TOTAL REVENUES</u>	<u>8,000,000</u>	<u>8,192,793</u>	<u>8,372,935</u>	<u>180,142</u>
<u>EXPENDITURES</u>				
<u>Public Safety:</u>				
Personal Services and Related Benefits	4,159,024	4,236,809	4,405,873	(169,064)
Operating Services	2,187,744	2,302,752	896,036	1,406,716
Materials and Supplies	488,424	488,424	1,669,838	(1,181,414)
Travel and Other Charges	37,596	37,596	106,769	(69,173)
<u>Capital Outlay:</u>				
General Fund	2,177,208	2,177,208	2,274,467	(97,259)
	<u>9,049,996</u>	<u>9,242,789</u>	<u>9,352,983</u>	<u>(110,194)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>(1,049,996)</u>	<u>(1,049,996)</u>	<u>(980,048)</u>	<u>69,948</u>

See Notes to Financial Statements

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	0	0	0	0
Transfers Out	<u>(650,004)</u>	<u>(650,004)</u>	<u>(627,225)</u>	<u>22,779</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(650,004)</u>	<u>(650,004)</u>	<u>(627,225)</u>	<u>22,779</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,607,273)</u>	<u>92,727</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>8,099,417</u>	<u>8,142,937</u>	<u>7,743,392</u>	<u>(399,545)</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>6,399,417</u>	<u>6,442,937</u>	<u>6,136,119</u>	<u>(306,818)</u>

See Notes to Financial Statements

SCHEDULE 2

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<u>REVENUES</u>				
Interest	0	0	15,144	15,144
Other	0	0	9,405	9,405
<u>TOTAL REVENUE</u>	0	0	24,549	24,549
<u>EXPENDITURES</u>				
Debt Service:				
Principal	580,000	580,000	580,000	0
Interest	54,425	54,425	54,424	0
Amortization	15,579	15,579	3,073	12,506
<u>TOTAL EXPENDITURES</u>	650,004	650,004	637,498	12,506
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(650,004)	(650,004)	(612,949)	37,055
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	650,004	650,004	627,225	(22,779)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	650,004	650,004	627,225	(22,779)
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	0	0	14,276	14,276
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	350,000	350,000	399,545	49,545
<u>FUND BALANCE AT END OF YEAR</u>	350,000	350,000	413,821	63,821

See Notes to Financial Statements

**SCHEDULE 3**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2007**

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Franklin Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**OTHER SUPPLEMENTAL INFORMATION**

**PART III**

**FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2007**

**FIDUCIARY FUND TYPE - AGENCY FUNDS**

*These funds account for assets held by the sheriff department in a trust or agency capacity.*

**LICENSE FUND**

The License fund is a depository for occupational licenses. Payments are made from the fund to the Sheriff's General Fund and the Franklin Parish Police Jury.

**CRIMINAL FUND**

The Criminal fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, police jury, district attorney, clerk of court, and other recipients in accordance with applicable laws.

**CIVIL FUND**

The Civil Fund is a depository for collection of funds in civil suits, sheriff's sales, and garnishments. Payments of these collections to recipients are made in accordance with applicable laws.

**WORK RELEASE PROGRAM FUND**

The Work Release Program Fund accounts for funds paid to the Sheriff's office for the Work Release Program. The funds are then disbursed to the inmates or the inmate trust fund and the sheriff's general fund.

**TAX COLLECTION FUND**

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collection Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

**INMATE TRUST FUND**

The Inmate Trust Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.



## SCHEDULE 4

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
FIDUCIARY FUND TYPES - AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN BALANCES  
DUE TO TAXING BODIES AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2007

	LICENSE FUND	CRIMINAL FUND	CIVIL FUND	WORK RELEASE PROGRAM FUND
<b>BALANCES AT BEGINNING OF YEAR</b>	46	41,037	5,980	95,743
<b>ADDITIONS:</b>				
Deposits:				
Licenses	114,583	0	0	0
Bond	0	58,182	0	0
Fines and Costs	0	589,609	0	0
Sheriff's Sales	0	0	842,021	0
Garnishments	0	0	37,319	0
Other Deposits	0	0	16,617	0
Taxes, Fees, Etc. Paid to Tax Collector	0	0	0	0
Interest on Investments	69	591	202	691
Inmate Deposits	0	0	0	0
Work Release Income	0	0	0	869,630
<b>TOTAL ADDITIONS</b>	<b>114,652</b>	<b>648,382</b>	<b>896,159</b>	<b>870,321</b>
<b>TOTAL AVAILABLE</b>	<b>114,698</b>	<b>689,419</b>	<b>902,139</b>	<b>966,064</b>
<b>REDUCTIONS:</b>				
Taxes, Fees, Etc. Distributed to Taxing Bodies and Others	0	0	0	0
Deposits Settled To:				
Sheriff's General Fund	97,395	54,947	91,201	432,446
Police Jury	17,187	133,358	0	0
District Attorney	0	61,055	0	0
Clerk of Court	0	12,639	27,052	0
Indigent Defender Board	0	41,207	0	0
Attorneys, Appraisers, Etc.	0	0	775,363	0
Other Settlements	0	315,081	2,341	473,813
<b>TOTAL REDUCTIONS</b>	<b>114,582</b>	<b>618,287</b>	<b>895,957</b>	<b>906,259</b>
<b>BALANCES AT END OF YEAR</b>	<b>116</b>	<b>71,132</b>	<b>6,182</b>	<b>59,805</b>

See Notes to Financial Statements

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA  
FIDUCIARY FUND TYPES - AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN BALANCES  
DUE TO TAXING BODIES AND OTHERS  
FOR THE YEAR ENDED JUNE 30, 2007

<u>TAX COLLECTION FUND</u>	<u>INMATE TRUST FUND</u>	<u>TOTAL</u>
464,238	135,996	743,040
0	0	114,583
0	0	58,182
0	0	589,609
0	0	842,021
0	0	37,319
0	0	16,617
4,563,693	0	4,563,693
3,413	605	5,571
0	532,861	532,861
0	0	869,630
<u>4,567,106</u>	<u>533,466</u>	<u>7,630,086</u>
5,031,344	669,462	8,373,126
4,563,578	0	4,563,578
0	605,979	1,281,968
0	0	150,545
0	0	61,055
0	0	39,691
0	0	41,207
0	0	775,363
0	0	791,235
<u>4,563,578</u>	<u>605,979</u>	<u>7,704,642</u>
<u>467,766</u>	<u>63,483</u>	<u>668,484</u>

See Notes to Financial Statements

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

**MARCUS, ROBINSON and HASSELL**

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Steve E. Pylant  
Franklin Parish Sheriff  
Winnsboro, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish Sheriff as of and for the year ended June 30, 2007, which collectively comprise the Franklin Parish Sheriff's basic financial statements and have issued our report thereon dated December 7, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Franklin Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Parish Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Franklin Parish Sheriff's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control component does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Franklin Parish Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Franklin Parish Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Franklin Parish Sheriff's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs (Item 2007-01) to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Franklin Parish Sheriff's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Franklin Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Franklin Parish Sheriff, management of the Sheriff's office, interested state agencies, and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the office of the Louisiana Legislative Auditor as a public document.

*Marcus, Robinson & Hassell*

MARCUS, ROBINSON & HASSELL

December 7, 2007

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

PART I - SUMMARY OF THE AUDITOR'S RESULTS

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There was one significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiency was not considered to be a material weakness.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. There were no major federal programs for the year ended June 30, 2007.
- vi. The audit disclosed no audit findings which the auditor was required to report under OMB Circular A-133, Section 510 (a).
- vii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 520 (b) was \$300,000.
- viii. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section 530.

PART II - FINDING(S) RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS:

Findings, Reference #, and Title: 2007-01

Lacking sufficient capable expertise to prepare financial statements and related footnote disclosures.

Condition:

Management does not have sufficient capable expertise to prepare financial statements and related footnote disclosures.

Recommendation:

No action recommended.

Management's Response and  
Planned Corrective Action:

We concur with the finding, but it is not economically feasible for corrective action to be taken.

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

See Notes to Financial Statements

FRANKLIN PARISH SHERIFF  
WINNSBORO, LOUISIANA

SCHEDULE 5

SCHEDULE OF PRIOR YEAR FINDINGS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

SECTION I - Internal Control and Compliance Material to the Financial Statements

FINDINGS

RESPONSE

06-01 Under-Collateralized Funds

The Sheriff is under-collateralized at one financial institution.

Resolved.

SECTION II - Management Letter

None issued.

See Notes to Financial Statements